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TORONTO STOCK EXCHANGE

FILING STATEMENT No. 634.
FILED, OCTOBER 26th. 1961.

LATIN AMERICAN MINES LIMITED

Full corporate name of Company
Incorporated under Part XI of The Companies Act (Ontario)
by Letters Patent dated October 8, 1946, as amended by
Supplementary Letters Patent dated August 27, 1947, Sep-
tember 10, 1952, July 17, 1956, December 5, 1957 and
February 29, 1960 respectively.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 552.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

<p>1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.</p>	<p>(a) Exercise of the option to purchase an undivided 90% interest in the Tuina property in North Chile (see item 1 Schedule "A" hereto on pages 3, 4 & 5)</p> <p>(b) Special Resolution passed by the directors creating the office of Chairman of the Board to become effective only upon confirmation by the shareholders.</p> <p>(c) Settlement of the 5% carried interest of Joseph Sibley and J. Randal Macdonald in the Tuina properties (see item 2 of Schedule "A" hereto).</p> <p>(d) Option in favour of the Chilean agency of the Company to purchase a 100% interest in a mining concession known as Santa Rosa and Margarita situated in Northern Chile (see item 3 of Schedule "A" hereto).</p> <p>(e) Option to purchase a 100% interest in Quetena property situated in Northern Chile (see item 4 of Schedule "A" hereto)</p> <p>(f) Acquisition of a farm property and the option to purchase another farm property, both in Chile (see item 5 of Schedule "A" hereto).</p> <p>(g) Outright sale of mining property in Peru for cash (see item 6 of Schedule "A" hereto).</p> <p>(h) Purchasing contract between Furukawa Mining Co., Ltd. and The Nissho Co., Ltd., as Buyers, and Latin American Mines Limited and Empresa Minera San Jose de Tuina, S.C.M., as Sellers (see item 7 of Schedule "A" hereto).</p> <p>(i) Loan of \$150,000 (U.S. Funds) to the Company from an American Corporation (see item 8 of Schedule "A" hereto).</p> <p>(j) Agreement between the Company and The Nissho Co., Ltd. for the arranging of funds to develop the Quetena property held under option by the Company (see item 9 of Schedule "A" hereto).</p> <p>(k) An agreement between the Company and Stanley Holmes, Ph.D. (Geology) whereby the Company retains Mr. Holmes as Permanent Consulting Geologist (see item 10 of Schedule "A" hereto).</p> <p>(l) The Company has agreed, subject to the approval of the shareholders, to grant to Air-Marshall Wilfred A. Curtis a non-assignable stock incentive option to purchase 50,000 shares of the capital stock of the Company at 50 cents per share to be exercised within a period of five years, with the proviso that the option automatically terminates if the optionee ceases to be an officer, director or employee of the Company.</p> <p>(m) Subject to the approval of the shareholders, the directors have passed a special resolution increasing the number of directors from seven to nine and fixed the quorum at four.</p>																
<p>2. Head office address and any other office address.</p>	<p>Suite 707, 185 Bay Street, Toronto, Ontario.</p>																
<p>3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.</p>	<table border="0"> <tr> <td>President and Director</td><td>- Steven Low, 7 York Ridge Road, Willowdale, Ontario, Mining Executive.</td></tr> <tr> <td>Vice-President and Director</td><td>- Air Marshal Wilfred A. Curtis, 475 Oriole Parkway, Toronto, Ontario, Executive.</td></tr> <tr> <td>Director</td><td>- Harold E. Stassen, 1144 Fidelity Philadelphia Trust Building, Philadelphia, Pa., U.S.A., Lawyer and Consultant.</td></tr> <tr> <td>Director</td><td>- Ernest Offenheim, 10 Ava Crescent, Toronto, Ontario, Geologist.</td></tr> <tr> <td>Director</td><td>- Edgar A. Eaton, 29 Park Lane Circle, Don Mills, Ontario, Corporation Executive.</td></tr> <tr> <td>Director</td><td>- Gerald Francis Hayden, 31 Arjay Crescent, Willowdale, Ontario, Solicitor.</td></tr> <tr> <td>Director</td><td>- James P. Manley, 25 Country Lane, Willowdale, Ontario, Queen's Counsel.</td></tr> <tr> <td>Secretary-Treasurer</td><td>- Hector Hugh Colgan, 39 Rosburn Drive, Toronto, Ontario, Secretary-Treasurer.</td></tr> </table>	President and Director	- Steven Low, 7 York Ridge Road, Willowdale, Ontario, Mining Executive.	Vice-President and Director	- Air Marshal Wilfred A. Curtis, 475 Oriole Parkway, Toronto, Ontario, Executive.	Director	- Harold E. Stassen, 1144 Fidelity Philadelphia Trust Building, Philadelphia, Pa., U.S.A., Lawyer and Consultant.	Director	- Ernest Offenheim, 10 Ava Crescent, Toronto, Ontario, Geologist.	Director	- Edgar A. Eaton, 29 Park Lane Circle, Don Mills, Ontario, Corporation Executive.	Director	- Gerald Francis Hayden, 31 Arjay Crescent, Willowdale, Ontario, Solicitor.	Director	- James P. Manley, 25 Country Lane, Willowdale, Ontario, Queen's Counsel.	Secretary-Treasurer	- Hector Hugh Colgan, 39 Rosburn Drive, Toronto, Ontario, Secretary-Treasurer.
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4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 4,000,000 shares of the par value of 20¢ each. Issued - 3,225,932 shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations, outstanding.	Nil
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Nil
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Nil
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Exploration work is being conducted on the newly optioned Quetana property at an estimated cost of \$150,000. (see paragraph 4 of Schedule "A").
10. Brief statement of company's chief development work during past year.	The Company's chief development work during the past year has been the proving up on the San Jose ore body of the de Tuina property in Chile of 1½ million tons of ore grading approximately 2½% copper. Some 1700 feet of drifting and cross cutting has been completed as well as 3000 feet of diamond drilling.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See Schedule "A" hereto on pages 3, 4 & 5.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	The signatories hereto are unaware that any person other than each of the Vendors named in items 1 to 5 inclusive of Schedule "A" hereto has received or will receive a greater than 5% interest in the shares or other consideration received or to be received as the purchase price of each of the properties referred to in said Schedule "A".
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable.

SCHEDULE "A" TO THE FILING STATEMENT OF
LATIN AMERICAN MINES LIMITED DATED THE
20TH DAY OF OCTOBER, 1961.

1. The Company has exercised its option to purchase from Sierra de Tuina, S.C.M. a 90% undivided interest in and to the de Tuina property in Chile and has made the \$25,000 (U.S.Funds) payment due September 1st, 1961. In order to acquire ownership of the said 90% interest, the Company must pay an additional \$175,000 (U.S.Funds) in seven equal \$25,000 payments each succeeding six months.

2. As consideration for Joseph Sibley of Santiago, Chile (hereinafter referred to as "Sibley") negotiating the transaction whereby the Company acquired the option to purchase an undivided 90% interest in the de Tuina property in Northern Chile, upon which is located the San Jose ore body, the Company agreed to pay Sibley a 5% carried interest in the property and, in addition, make him the following payments:-
 - \$2,000.00 when the option was granted
 - \$1,000.00 within 6 months from March 4, 1960; (hereinafter referred to as the "effective date")
 - \$1,000.00 within 12 months of the effective date;
 - \$1,000.00 within 18 months of the effective date;

and in the event the option was exercised, to pay Sibley \$5,000.00 within 24 months from the effective date; and thereafter an additional \$40,000.00 in eight equal six-monthly instalments of \$5,000.00 each as long as the Company retained title to the said 90% interest.

Sibley disclosed to the Company that J. Ranald Macdonald, Mining Engineer (hereinafter referred to as "Macdonald") was entitled to an undivided one-half interest in the said commissions.

Subsequently, Sibley and Macdonald agreed to forego their 5% carried interest in the de Tuina property and accept in lieu thereof a 5% share interest in the Chilean Company which this Company and Sierra de Tuina agreed to form to operate the de Tuina property in the event this Company exercises its option.

By agreement dated the 8th day of July, 1961, Sibley and Macdonald agreed to forego their 5% interest in the said Chilean Company and accept in full settlement therefor 3,640 shares in the capital stock of Compania Minera Nacional, Anonima, Nueva, Panama, S.A., a Venezuelan Company. These shares represent 73% of the issued shares of this Company.

The Company has advised Sierra de Tuina that it will exercise its option to purchase the 90% undivided interest in the de Tuina properties.

3. By agreement dated July 8th, 1961 and made between Francisco Guzman of Calama, Chile, and Latin American Mines (Chile), the Company's Agency in Chile, Guzman agreed to sell to the Agency a mining concession described as the Santa Rosa comprising nine copper claims and the Margarita comprising twenty copper claims situated in the mining section of Tuina, Province of Antofagasta, Chile, on the following terms: The Agency to pay to Guzman \$1,000.00 (U.S. Funds) on August 8th, 1961, as a deposit to hold the concession until the actual purchase date, namely, July 8th, 1962. If the Agency desires to extend the purchase date of July 8th, 1962, it may do so, in which event the Agency must pay to Guzman an additional deposit of \$500.00 (U.S.) by June 8th, 1962 and thereupon the purchase date will be extended for a period not exceeding six months. On the date of closing, in order to acquire a 100% interest in the mining concession, the Agency is to pay to Guzman the sum of \$33,000.00 payable at the option of the Agency in either U.S. funds or in National currency, the conversion being made according to the free bank rate on the day of sale.

4. By a letter agreement dated the 11th day of July, 1961, addressed to Mr. Steven Low, President of the Company, and signed by Joaquin Fontbona, Hagop Kazazian and Juan Bakovic, all of Chile, the Company acquired an option to purchase the Quetena property adjoining Anaconda's Chuquiamata Mine in Northern Chile and described as follows:

<u>Claims</u>	
Miscante	1 - 12
Filomena	1 - 10
San Guillermo	1 - 100
Quetenita	1 - 498
San Juan	1 - 3

for a period of 18 months after the 11th day of July, 1961. The payments under the option are as follows: \$2,000.00 (U.S.) on the signing of the option; \$5,000.00 (U.S.) six months thereafter; and \$8,000.00 (U.S.) one year thereafter. In addition, the Company must spend in investigating and studying the claims \$20,000.00 (U.S.) during the first six months of the option; \$50,000.00 (U.S.) during the second six months; and \$80,000.00 (U.S.) during the third six months.

The option terminates upon the failure of the Company to pay any instalment of the option price or to do any of the above work. If the option is exercised, the Company must pay \$200,000.00 (U.S.) on signing the agreement to purchase; \$25,000.00 (U.S.) during the first full year of production; \$75,000.00 (U.S.) during the second full year of production; and, in addition, the Company must pay 10 cents (U.S.) for each metric ton of mineral extracted, considered as being profitable and/or being for direct sale, deriving from said deposits, during the first ten years of exploitation and production from the holdings; and 5 cents (U.S.) for each ton of mineral extracted from said deposits, considered as being profitable and/or for direct sale, during the whole time that said deposits are exploited in any manner, and up to 99 years after the signing of the agreement to purchase

In addition, the Company agrees:

- (a) to pay 50% of the costs accruing for the execution of a contract of purchase and sale;
- (b) to construct a mining plant with a minimum capacity of 500 tons daily;
- (c) to give to the Vendor a mortgage on the mining claims to secure the unpaid portion of the purchase price, such mortgage to be subordinated to any mortgage raised for senior financing.

An Engineer's Report on the Quetena property is on file with the Toronto Stock Exchange.

5. The Company has purchased from Hrepic Bros. of Chiu Chiu, Chile, for the sum of \$5,000.00, a farm property of 40 hectares in Chiu Chiu, Chile, with water rights. In addition, the Company has acquired for \$500.00 an option, good for one year, to purchase another farm property comprising 68 hectares, with water rights, in the same vicinity from Hrepic Bros. for \$5,000.00. The Company's purpose in acquiring the farm properties is to obtain a supply of water for mining purposes on the de Tuina property. The Company has obtained a ruling from the Chilean Government that such water rights may be used for mining purposes.

6. The Company has sold to Cerro Corporation, 300 Park Avenue, New York, for \$38,000 (U.S.) an undivided 100% interest in certain mining rights held by the Company in Peru and known as the Tintaya property. The Company is committed to deliver to Northfield Mines Inc. 21.75% of such proceeds on completion of the sale.

7. An agreement between the Company and its Chilean subsidiary, Empresa Minera San Jose de Tuina, S.C.M. (as Sellers) and Furukawa Mining Co., Ltd. and The Nissho Co., Ltd. (as Buyers) has been executed by all parties save Empresa Minera San Jose de Tuina, S.C.M., whereby the Sellers agree to sell and the Buyers agree to buy the entire production of Copper Concentrates and/or Copper Cement from the de Tuina property. The agreement provides inter alia that first delivery shall commence with the first regular monthly production expected to be not later than the 31st of March, 1963; delivery to be f.o.b. steamer, Port of Antofagasta, stowed and trimmed; the Buyers to arrange ocean freight space; the total copper content of copper concentrates on the basis of dry weight less one unit shall be paid for at the export refinery price of Electrolytic Copper, as published in the "Engineering and Mining Journal" less 1¢ per lb.; the total copper content of Cement Copper on the basis of dry weight less 1.5 unit shall be paid for at the average of the export refinery price of Electrolytic Copper as published in the said Journal, less 1¢ per lb; the foregoing prices shall be reduced by the amount of treatment charge; treatment charge of \$22.50 (U.S.) per dry metric ton which includes ocean freight rate calculated at \$14.50 (U.S.) per wet long ton; if freight rates vary, adjustments will be made accordingly; Not later than 10 days before expected date of shipment, Buyers shall open in favour of Sellers an irrevocable letter of credit in U.S. dollars for 100% of the estimated value of the shipment; if delivery of shipment is hindered or prevented by any cause originating in Japan and such hindrance or prevention continues for 90 days, the Sellers shall have the right to sell the Copper Concentrates and/or Copper Cement to third parties, such right to continue thereafter until the Buyers notify the Sellers that the Buyers will accept shipment from the date of notice;

Contract is subject to the issuance of Chilean Export Licence and Japanese Import Licence and all transactions in foreign exchange are subject to foreign exchange regulations in effect in Chile and Japan; the contract shall be in force for four years from date of first delivery and subject to the following during the life of the deTuina Mine; during the period of 8 months before the expiration of the said four year period, the Buyers may give to the Sellers notice of change in prices and if the Sellers agree to adjust the prices, the contract shall be extended for a further period of four years, and so on each four years, but if the Sellers do not accept the adjusted prices, the Buyers shall have the first right of refusal if the Sellers receive a bona fide offer from a third party to purchase the Sellers' Copper Concentrates and/or Copper Cement; any dispute in the contract shall be settled by arbitration, as provided in the agreement.

It is expected that Empresa Minera San Jose de Tuina, S.C.M. will sign the contract when same is sent to Chile.

Negotiations are in progress for the senior financing of the Tuina mill, but at this time have not yet been finalized.

8. The Company has entered into an agreement dated the 11th of October, 1961 with an American Corporation whereby the American Corporation agrees to loan forthwith to the Company \$150,000 (U.S.) to be repayable at any time or times at the discretion of the Company within 30 months and to bear interest payable before and after maturity at such rate of interest as is paid by the American Corporation to its banker for the said funds, provided that the said rate of interest shall not exceed the prime borrowing bank rate in New York prevailing at the time the loan is made plus 1%, with a further proviso that the said interest will be adjusted every six months to give effect to any increase or decrease in the then prevailing prime borrowing bank rate in New York.

The agreement further provides that in the event the de Tuina property does not go into production within 18 months of the signing of the contract referred to in paragraph 7 hereof and such delay is not attributable to force majeure, then the prevailing rate of interest payable on the said loan shall be increased by 1% each succeeding six months until production commences and thereafter interest payable shall be calculated on the original basis.

As consideration for the said loan and subject to the approval of the Toronto Stock Exchange, the Company agrees to give to the American Corporation an option to purchase 200,000 shares of its capital stock at 75 cents (U.S.) per share, such option to be exercised on or before the repayment of the said loan; the option can only be assigned with the written consent of both the Company and the Toronto Stock Exchange; if, at any time while the loan is outstanding, the Company issues any additional shares other than shares issued for stock incentive options or payment of commissions, then the 200,000 shares optioned shall be increased so that the ratio that now exists between the optioned shares and the issued shares of the Company shall be maintained and the price paid for such increased number of shares shall be the price at which such newly issued shares have been issued.

If the loan is not paid when due, the unpaid interest, at the discretion of the optionee may be satisfied by the issuance of shares of the Company at 75 cents (U.S.) per share.

The Optionee shall be entitled to have one nominee on the Board until the loan is repaid.

9. By an agreement dated the 11th of October, 1961, The Nissho Co., Ltd. (hereinafter referred to as "the Lender") has agreed with the Company to use its best endeavours to provide or arrange funds by way of a loan in an amount not exceeding \$1,500,000 (U.S.) to carry out the necessary exploration and development work on the Quetena property to prove whether same can be brought into production; the amount to be arranged shall be limited to the amount estimated by the Company to be required for the aforesaid purpose; the rate of interest to be paid on any monies advanced shall not exceed by more than 1% the then prevailing prime borrowing bank rate in New York unless the parties otherwise mutually agree, with the further proviso that the rate of interest shall be adjusted every six months during the currency of the loan in order to give effect to any increase or decrease in the said prime borrowing bank rate; the loan shall be repayable out of production on the Quetena property over a period of five years from the date the mine goes into production; the Company shall be at liberty to repay all or any part of the said loan at any time without notice or bonus; within 60 days from the date the Company notifies the Lender that the funds are required, the Lender shall advise the Company whether or not it will supply the funds and at that time make available such of the monies as are then required; in the event the Lender does not advise the Company within the said 60 day period, the Lender shall automatically relinquish all its rights in the agreement; in the event the loan is made, the Lender shall have the first right of refusal to purchase the production from the Quetena property; in the event the loan is made the Company agrees not to sell or dispose of its option on the Quetena property except to a subsidiary or Chilean agency of the Company and, further, that upon the Company obtaining ownership of the Quetena property, the Company will give the Lender a first mortgage on the said property, provided the Lender agrees to postpone such mortgage to any other mortgage arranged for the purpose of senior financing.

10. By an agreement dated the 19th day of September, 1961, the Company agreed to employ Stanley Holmes, Ph. D. (Geology) as Permanent Consulting Geologist for a term of three years. As part of the consideration for his services, the Company has agreed, subject to the approval of the Toronto Stock Exchange, to give Mr. Holmes a non-assignable option to purchase 50,000 shares of its capital stock at 50 cents per share, good for a period of five years with the proviso that not more than one-third of the option can be exercised during the first year and not more than two-thirds of the option during the second year, and any part of the option not then exercised can be exercised any time thereafter, as long as the option is in good standing; the option to expire upon termination of his employment with the Company with the proviso that if the Optionee dies while in the employ of the Company, the option must be exercised by his personal representative within six months after death.

FINANCIAL STATEMENTS

LATIN AMERICAN MINES LIMITED

Suite 707, 185 Bay St.,

Toronto 1, Ontario

Balance Sheet

June 30, 1961

ASSETS

Current

Cash on hand in Bank	\$85,272.68	
Accounts Receivable	418.37	\$85,691.05

Investments in shares of wholly-owned Subsidiary: Latam Explorations Ltd.		13,000.00
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Other Investments:

Compania Minera Mantos Blancos, S.A.	9,330.00	
Club de la Banca y Comercio	502.68	9,832.68

Fixed assets:

Payments on Optioned Mining Properties	\$6,853.44	
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Furniture & Fixtures:

Head Office	\$8,340.55	
Peru	10,885.48	

Mining Equipment:

Chile	25,531.45	
Peru	13,701.65	58,459.13

Total Assets	\$65,312.57	
Accumulated Depreciation	25,031.53	40,281.04
Leasehold Improvement		3,224.32
		43,505.36

Deferred Development & Admin. Expense		\$346,906.72
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Other Assets:

Advances & Deposits	5,214.00	
Prepaid Expenses	561.95	
Reorganization Expense	7,242.90	13,018.85

<u>TOTAL ASSETS</u>		<u>\$511,954.66</u>
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LIABILITIES

Current

Accounts Payable & Accrued Liabilities		\$3,230.85
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Shareholder Equity

Authorized Capital 4,000,000 shares

@ .20 P.V.

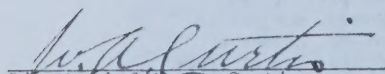
Shares issued, fully paid

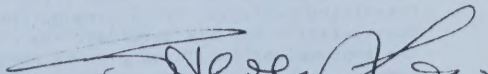
Balance 31.12.60	2,932,666	\$ 586,533.20
Issued 1961	293,266	58,653.20
Balance 1961	3,225,932	645,186.40

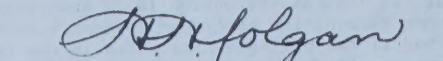
Premium on shares		249,983.45
Total share sales		895,169.85

Deficit	\$1,180,424.82	
Contributed Surplus	793,978.78	386,446.04
		508,723.81

Total Liabilities		<u>\$511,954.66</u>
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Air Marshal A. A. Curtis,
Vice-President


Steven Low, President


H. H. Colgan, Secretary-Treasurer

LATIN AMERICAN MINES LIMITED

Suite 707, 185 Bay St.,

Toronto 1, Ontario

Statement of Deferred Development &
Administrative Expenditures

June 30, 1961

Chilean Properties		
Supervision		\$57,946.01
Engineering Fees	\$31,207.51	
Geological Fees	6,906.66	
Management Fees	5,536.50	
Travel & Accommodation	9,797.63	
Engineering Office	4,497.71	
Development		72,178.18
Drifting	50,947.79	
Diamond Drilling	11,194.11	
Road Maintenance	1,622.88	
Metallurgical Tests & Assays	802.69	
Trucking	7,610.71	\$130,124.19
Peru Properties		
Supervision		15,755.20
Office Expense	7,806.20	
Ventures Expense	7,949.00	
Development	75,023.19	62,236.73
Northfield Mines Participation	12,786.46 Cr.	77,991.93
Administrative		
Audit & Legal		35,974.88
Directors' Fees		8,250.00
Filing Fees & Taxes		7,542.16
General		14,166.67
Miscellaneous		4,720.22
Office		14,865.23
Supervision		30,970.93
Shareholders, Transfer Fees & Expense		22,300.51
Total		\$346,906.72

LATIN AMERICAN MINES LIMITED

Suite 707, 185 Bay St.,

Toronto 1, Ont.

Statement of Source & Application of Funds

February 28 to July 31, 1961

Cash on Hand, February 28, 1961		50,489.28	
Receipts			
Sale of Treasury Shares	131,969.85		
Northfield Mines Limited	283.62		
Miscellaneous	51.03	132,304.50	182,793.78
Disbursements			
Peru Exploration	2,951.07		
Deposits	4,589.00		
Fixed Assets	32,432.60		
Chile Exploration	100,624.15		
Prepaid Expense	161.95	140,758.77	

Cash on Hand, July 31, 1961 42,035.01

LATIN AMERICAN MINES LIMITED

Suite 707, 185 Bay St.

Toronto 1, Ontario

Statement of Source & Application of Funds

June 30, to July 31, 1961

Cash on Hand June 30, 1961	\$85,272.68	
Receipts	-	\$85,272.68
Disbursements		
Fixed Assets	6,738.26	
Development Chile	36,499.41	43,237.67
Cash on Hand July 31, 1961		<u>\$42,035.01</u>

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>*Wonham Albert & Company 2 Wall Street, New York, N.Y., U.S.A. 856,000 shares</p> <p>**Doherty Roadhouse & Co., 335 Bay Street, Toronto, Ontario 236,020 "</p> <p>**Watt & Watt, 6 Jordan Street, Toronto, Ontario 169,200 "</p> <p>**Hevenor & Co., 11 Jordan Street, Toronto, Ontario. 156,135 "</p> <p>**T. A. Richardson & Co. 4 King Street West, Toronto, Ontario. 124,192 "</p> <p>All of the above shares are free.</p> <p>*The beneficial owner: of substantially all of these shares is believed to be Winchester Corporation, Bolam House, Nassau, Bahamas, B.W.I. which is wholly-owned by a trust in favour of Mr. Michael Steven Low and Andrea Elizabeth Low, children of Mr. Steven Low.</p> <p>**Beneficial owners unknown.</p>																				
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Winchester Corporation, Bolam House, Nassau, Bahamas, by virtue of beneficial ownership of substantially all of 856,000 shares acting in conjunction with other shareholders might be in a position to materially affect control of the Company.																				
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><thead><tr><th></th><th><u>No. of Shares</u></th><th><u>Book Value</u></th><th><u>Market Value believed to be</u></th></tr></thead><tbody><tr><td>Empress Minera de Mantos Blancos</td><td>933</td><td>\$ 9,330</td><td>\$9,330</td></tr><tr><td>Latam Explorations Limited Preference shs. at par value of \$10.00 each</td><td>1200</td><td>12,000</td><td>none</td></tr><tr><td>Common shares at no par value</td><td>1000</td><td><u>1,000</u></td><td><u>none</u></td></tr><tr><td></td><td></td><td>\$22,330</td><td>\$9,330</td></tr></tbody></table>		<u>No. of Shares</u>	<u>Book Value</u>	<u>Market Value believed to be</u>	Empress Minera de Mantos Blancos	933	\$ 9,330	\$9,330	Latam Explorations Limited Preference shs. at par value of \$10.00 each	1200	12,000	none	Common shares at no par value	1000	<u>1,000</u>	<u>none</u>			\$22,330	\$9,330
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18. Brief statement of any lawsuits pending or in process against company or its properties.	None																				
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	See Schedule "A" hereto on pages 3, 4 & 5.																				
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>The directors of the Company have passed a Special Resolution creating the office of Chairman of the Board, which Special Resolution will become effective when duly confirmed by the Shareholders.</p> <p>No shares of the Company are in the course of primary distribution to the public.</p>																				

DATED October 20th, 1961.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"S. Low"

LATIN AMERICAN MINES LIMITED
per [Signature] CORPORATE SEAL
President

"W.A. Curtis"

[Signature]
Director

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

TORONTO STOCK EXCHANGE TORONTO

FOR IMMEDIATE RELEASE
BULLETIN NO. 4020

August 23rd, 1960. **FEB 2 1961**

TSE FINDINGS ON LATIN AMERICAN PROBE

Re: Toronto Stock Exchange Enquiry Into Trading
In The Shares Of Latin American Mines Limited

Having completed the detailed investigation ordered by the Board of Governors of the Toronto Stock Exchange in July into the share trading of Latin American Mines Ltd., the Exchange issues its findings in the following statement.

During the period of June 29th to July 5th, the shares of Latin American Mines Ltd. were traded in large volume at rising prices, the market price increasing from 83¢ to \$1.36 during the period. In view of these circumstances the Exchange undertook enquiries to determine, if possible, whether there was a reasonable explanation for the market activity.

On July 7th the Exchange accepted notice of a sale of 200,000 treasury shares at \$1.00 a share, the market price at that time being \$1.20 to \$1.29 a share. The underwriting was considered desirable as providing funds for the company's future development plans and as providing additional stock to maintain an orderly market. These matters were discussed with Mr. Steven Low, who was the company's president and also, through his ownership of Developers Entente of Canada Limited, the underwriter of the shares.

On July 8th the stock reached a high of \$1.40 and in the period July 11th to 14th, inclusive, declined in price from \$1.34 to as low as 31 cents. Accordingly, the Board of Governors, on July 14th, ordered a detailed investigation under the direction of the Exchange Auditor into all aspects of the trading in Latin American shares. The company was advised of the action being taken following the Board meeting.

The following week Mr. Low issued a statement to the press stating that the company's directors suspected "an enormous volume of unregistered short selling" as being responsible for the break in the market price and mentioning "four days of a big bear raid".

The investigation has been completed insofar as the analysis of trading is concerned and has revealed no evidence of excessive short selling by any person or group of persons which would warrant the description of a "bear raid", indeed the short selling constituted a minor element in the total trading. The total short selling during the period under review was some 400,400 shares or approximately 6% of the total trading. During the four days referred to by the company's president, the percentages were 5% on two days and 3% on two days with the largest volume of short selling on July 12th in the amount of 27,900 shares. Of the total short sales for the period, trading in member firm accounts and partners' and directors' accounts totalled 85,400 shares. Total trading, long and short, in accounts so designated represented 13.8% of trading during the period May 20th to July 14th.

As the question was raised as to undeclared short sales, an analysis was made of all accounts totalling more than 10,000 shares. These represented 87 clients' accounts of a total of 1,207 such accounts. There were a few cases indicating the possibility of undeclared short selling by reason of the fact that selling in these accounts during the period covered by the enquiry exceeded purchases. Some of these accounts were the subject of further analysis which in all cases established that the shares sold had been purchased prior to May 20th. In all other cases the record showed a sequence of purchases followed by sales.

The term "bear raid" may imply that there was a failure to comply with the provisions of the short selling by-law which prohibits short selling on a declining market. A detailed study of transactions representing short sales has revealed that the trading was in accordance with the by-law with the exception of a few isolated instances which will require further analysis. The total involved is of a very insignificant amount.

As an explanation of the break in the market price of Latin American based solely on the examination of the trading, it would appear that the rapid rise in price was followed not surprisingly by a greater reaction, representing taking of profits and accelerated by stop-loss orders and the liquidation of accounts which become undermargined on the decline. During the four-day period of rapidly falling prices, the underwriter made no attempt to maintain an orderly market. In fact, the firm traded on only one day of the four days, when it sold 30,000 shares. In the opinion of the Board of Governors, Mr. Low and his underwriter company must bear a considerable responsibility for the rapid decline in price by failing to act under these circumstances.

What must be regarded as a contributing factor was the fact that Winchester Corporation of Nassau, Bahamas, a private corporation equally controlled by Mr. Low, and a trust in favour of his family, sold a sizeable block of Latin American shares to a Nassau broker-dealer shortly before the date of the market break. Although full details are not immediately available, it would appear that on balance, some 215,285 shares were disposed of from that source during the period July 6th to July 14th.

The Exchange has announced that the resignation of Mr. Steven Low as a shareholder and director of G. H. Rennie & Co. Ltd. has been accepted and that Developers Entente of Canada Ltd. has been advised that it is no longer acceptable as an underwriter of listed securities.

BY ORDER OF THE BOARD OF GOVERNORS

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